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### INTRODUCTION

The Washington Suburban Sanitary Commission (WSSC) presents this report to the Montgomery and Prince George's Counties Senate and House Delegations concerning the implementation and administration of the WSSC's Minority Business Enterprise (MBE) and the Small Local Business Enterprise (SLBE) programs through June 30, 2006.

The present report is noteworthy for three reasons. First, for the first time, data on MBE subcontracting totals has been validated. An expert (minority-owned) consultant contacted each minority-owned subcontractor and requested proof of payments from majority-owned contractors, and only the validated payments were counted in the information presented here. WSSC undertook this effort specifically in response to requests by legislators for WSSC to offer reliable information. Second, WSSC implemented SymTrac, a web-based tool that tracks actual payments to minority firms. This tool will help to ensure reliable data for use by WSSC in daily operations and in future legislative reports. WSSC listened to the concerns and suggestions of legislators. The present report represents our fulfillment of the suggestions. Third, WSSC has shown significant improvement in the key measures of success for a SLMBE contracting program.

A highlight of the FY06 is as follows:

- Total actual dollars paid to MBE firms were \$45.6 million for FY 2006
- WSSC increased its pool of minority firms receiving WSSC requests for bids. The number of registered minority/women-owned businesses increased to 601 from 479—a 25% increase.

Also, presented in this Report is a synopsis of the activities and accomplishments of the WSSC Small, Local and Minority Business Enterprise (SLMBE) Program, which demonstrates the Commission's effort to identify new small and minority-owned firms for the purpose of including them in its contracting process. This process includes Architecture and Engineering (A&E), Construction, Goods and Services and Professional Services. This legislative report covers the period of July 1, 2005, through June 30, 2006. A history of the activities undertaken as well as a statistical summary is incorporated here.

### SMALL LOCAL AND MINORITY BUSINESS ENTERPRISE (SLMBE)

# PROGRAM HIGHLIGHTS JULY 1, 2005-JUNE 30, 2006

### MISSION STATEMENT

The mission of the WSSC Small, Local and Minority Business Enterprise (SLMBE) Office is to expand the base of vendors, primarily in the local service market, who are capable and available to participate in contract opportunities.

### SPECIAL RECOGNITION

February 28, 2006—The Prince George's
 County Economic Development Corporation Office of Small Business Initiative honored Juanita Waller, Acting Director, and the Small, Local and Minority Business Enterprise Office of WSSC with the "Public Sector Award" in appreciation for WSSC's commitment to small and minority-owned businesses.



April 17, 2006—Mrs. Waller was nominated for the Institute for Supply Management (ISM) Charles J.
 McDonald Award. This recognition is given to the individual who has demonstrated a commitment
 to the advancement of Minority-and Women-owned Businesses.

### MINORITY COMPLIANCE TRACKING TOOL

On July 1, 2005, the Commission began a pilot program of tracking MBE vendors subcontracting participation on a new web-based tracking system called SymTrac. Beginning October 1, 2005, all contracts awarded with MBE subcontracting participation are tracked through SymTrac.



### **DATA VALIDATION STUDY**

In March 2006, Optimal Solutions Group, LLC, a certified minority firm, completed a subcontracting data validation report for the Commission. Optimal Solutions reviewed A&E and construction subcontracting expenditures from prime contractors and subcontractors for the period July 2005 to January 2006. They collected appropriate supporting documentation from the prime contractors for 100 architecture and engineering and construction contracts. This analysis facilitated validation of payments (through cancelled checks or accounts payable) to support payment of MBE subcontractors for that period for architecture and engineering and construction contracts. However, Optimal met hesitation from construction contractors and was only able to verify a small number of contracts.

### SIGNIFICANT INCREASE IN CERTIFIED MINORITY AND REGISTERED SLMBE FIRMS

During FY'06, a concerted effort was made to increase the available pool of SLMBE firms interested in doing business with WSSC in each of our four contracting areas: Architecture and Engineering, Construction, Goods and Services and Professional Services. The number of registered minority/women-owned businesses increased from 479 to 601, a 25 percent increase. In addition, WSSC-registered small, local business enterprise



### **CONFERENCES AND BUSINESS EXPOS**



- September 11–14, 2005—The SLMBE Office attended the National Minority Enterprise Development 2005 conference (MED Week) "The Art of the Deal: Making it Happen," held at the Omni Shoreham Hotel, Washington, DC.
- September 23—The SLMBE Office exhibited at the Honorable Albert Wynn's Congressional Black Caucus Minority Business Exchange, held at the Washington Convention Center, Washington, DC.
- October 12—The SLMBE Office also exhibited at the National Capital Minority Business Opportunity Fair. The event was held at the University of Maryland, College Park.
- October 17—The SLMBE Office participated in the Montgomery County Asian Business Forum. The
  forum was sponsored by the Montgomery County Pacific Asian Chamber of Commerce and held at
  the University of Maryland, Shady Grove Campus in Rockville.
- **November 18**—SLMBE staff attended the Maryland/District of Columbia Minority Supplier Development Council's Annual Awards Dinner. The event was held at the Marriott Waterfront Hotel in Baltimore.
- November 30-Dec I—The SLMBE Office participated in the 2nd Annual National Disadvantaged Business Enterprise Conference held at
- February 22–23, 2006—Members of the SLMBE Office attended the National Women's Leadership Conference sponsored by the Minority Business and Professional Network organization "Women—Raising the Bar," held at the Hamilton Crown Plaza Hotel, Washington, DC.

the Wyndham Hotel, Baltimore.



- March 16—The SLMBE Office participated in a "Procurement Day" panel hosted by the Prince George's County's Small Business Initiative Office on engineering and construction contract opportunities at WSSC. Representatives from both the Acquisition team and Engineering and Construction team provided information to over 60 participants.
- April 20—The Office of Small Disadvantaged Business Utilization (OSDBU) hosted it's Sixteenth Annual Procurement Fair. The SLMBE Office exhibited with numerous federal and state government contracting agencies. The fair was held at Show Place Arena, Upper Marlboro, Maryland.





- June 12—The SLMBE Office participated and exhibited at the National Business Women's Conference held at the J.W. Marriott Hotel, Washington, DC.
- June 14–15—The SLMBE Office exhibited and participated in the Maryland/District of Columbia Minority Supplier Development's Council's 24th Annual Business Opportunity Procurement Conference held at the Reginald Lewis Museum in Baltimore, and Hunt Valley Marriott-Hunt Valley, MD.
- June 16th—The SLMBE Office exhibited and participated in a panel discussion at DC ProBiz, "Growing your Business Through Partnerships," held at the Washington Convention Center, Washington, DC.
- June 20th—The SLMBE Office hosted it's Second Annual SLMBE Summit for minority organizations and chambers of commerce. The Summit provided minority business leaders with the opportunity to express their concerns and hesitations in doing business with the Commission. This event offered the contracting community an opportunity to express their concerns to the General Manager, Commissioners,

Management Team, and the SLMBE staff. The SLMBE Office also presented its Report Card from the FY'05 Summit. addition, the SLMBE Office presented a video of "Where We Were and Where We Are Going."



#### **EXTERNAL EDUCATIONAL EFFORTS**

• April 5—The SLMBE Office participated in a panel discussion at the Anne Arundel County School Board. The event was hosted by the Anne Arundel County School Board and the Anne Arundel Black Chamber of Commerce. The purpose was to learn more about the WSSC SLMBE program and how it was established.



- **April 6**—The SLMBE Office participated in "Career Day" at Benjamin Foulois Elementary School in Suitland, MD. The focus was "Entrepreneurship in the 21st Century."
- June 7–9—A member of the SLMBE Staff attended a course on Public Procurement at Carroll Community College, Westminster, MD. This class provided an overview of the ever-changing profession by identifying fundamental concepts that affect procurement in the public sector. This class was beneficial in that it gives the staff a better understanding of the different laws and procedures that face small, local and minority vendors everyday.

### INTERNAL WORKSHOPS AND EXPO

 October 6, 2005—The SLMBE Office hosted its first minority business expo "WSSC's Doors are Open for Business" to all vendors in the metropolitan area. The event was held at the RGH building in Laurel and as many as 250 firms attended the event. Attendees had many



workshop options to choose including topics such as "How

to do Business with WSSC," "Construction Standard & Specifications, Information Technology, Architect & Engineering Services, Sewer Evaluation and Job Order Contracting, Emergency Contracting and Service." Many noted that the program facilitators provided an abundance of information. Keynote Speaker, WSSC General Manager Andrew Brunhart, emphasized WSSC's commitment to the vendors based in communities served by WSSC.

• **December 13**—The SLMBE Office hosted its first "Meet and Greet" to introduce the new Chief of Construction and Engineering, Joseph Zorica. The workshop was attended by more than 100 vendors. Joe highlighted current contracting opportunities as well as future construction contracting opportunities.



• February 10, 2006—The SLMBE Office hosted its first Hispanic Roundtable discussion. Invitees consisted of Presidents from Montgomery and Prince George's Chambers, business leaders, and community organizations. The purpose of the event was to hear from the Hispanic community and to provide them with an opportunity to be heard. The General Manager, Deputy General Manager, Commissioners and Contracting Officers also attended.

• **February 14**—A "Meet and Greet" introducing the new Chief of Information Technology, Goutam Kundu. This workshop introduced the IT vendor community to our new Chief and allowed vendors to inquire about his plans for the future of WSSC's technology requirements.

• March 6—The SLMBE Office hosted it's first Asian Roundtable discussion. The invitees consisted of chamber representatives, business leaders, community activists, and governmental liaisons. The theme of

the workshops was "How Can Local Asian Firms Team with WSSC." The General Manager, Commissioners and Contracting Officers also attended the Roundtable.

 April-June—The SLMBE Office sponsored an internal workshop for WSSC's Management Team that was conducted throughout the last quarter of this fiscal year. Mr. Robert Wallace of BITHGROUP Technologies, Inc. presented "Rational Economics," Building

> Strategic Partnerships in the "New Customer Economy." The workshop described how the development of a corporate culture for supplier diversity must transcend all teams and departments of the WSSC.



### SLMBE COMPLIANCE AND PARTICIPATION STATISTICS

JULY 1, 2005-JUNE 30, 2006

"The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy."

Dr. Martin Luther King, Jr.

#### **COMPLIANCE**

WSSC's SLMBE program took a giant step forward in treating vendors fairly and equitably by implementing its new tracking system. On July 1, 2005, the Commission began a pilot program of tracking vendor participation on a new web-based MBE tracking system called SymTrac. Beginning October 1, 2005, all contracts awarded with MBE subcontracting participation began being tracked through SymTrac.

### What is SymTrac?



SymTrac is a web-enabled tool designed to monitor mandated contract compliance requirements. SymTrac tracks subcontract participation requirements for minority, woman, small, local and other targeted groups. Prime contractors can document their payments to approved MBE subcontractors, while subcontractors can validate payments received from prime contractors. Using the standard import/export feature, SymTrac interfaces with the Commission's procurement and disbursements systems to import contract award and payment data.

The Commission realized that to enjoy full functionality of this system there would need to be some changes made in its business processes. Specifically, Construction and Architecture & Engineering would have to track their contracts through the MAPS system (the disbursement and purchasing system of record). It

was realized that without the cooperation of the Commission's contracting community as a whole, neither SymTrac nor any product could provide any comprehensive and valid information.

In the past each contracting area tracked and reported their contract data and MBE participation separately and the SLMBE Office was tasked with bringing that data together for reporting. Since October 1, 2005, all contracts are issued a purchase order through the MAPS System, if that contract included subcontracting to an SLMBE firm. That data was then imported into SymTrac to allow for reporting and validation. This change brings all purchasing under one reporting umbrella.

### What is MAPS?

Materials Accounting Procurement System

All purchase orders and payments are tracked through this computer system. MAPS is the link between requesting a product or service, bidding and or procuring that product or service and payment to the vendors/consultants. Now, it is also the link to reporting and validating payment to MBE subcontractors.

### How Fiscal Year 2006 is different from fiscal years in the past?

In the past the SLMBE Office has reported MBE participation based on award dollars. Each contracting area collected this data differently. In Goods and Services and Professional Services the data was collected in the MAPS system with a direct download into the SLMBE Database. In Architecture and Engineering, contract information was recorded by the Team Office and then the SLMBE Office manually input that data into the SLMBE Database. Construction data was tracked by the Construction Team of the Acquisition Office, and that data was then imported into the SLMBE Database. These functions were all performed on a monthly basis. At the end of the fiscal year the data was reviewed and an annual report



was produced. That report listed the total contracting dollars awarded for the fiscal year and the MBE dollars that were pledged overall and in each contracting area.

Fiscal Year 2006 (FY 2006) has been one of transition and change. At the beginning of FY 2006, each contracting area was required to begin submitting all purchases and contracts through the MAPS system. This step was imperative in moving forward with the SymTrac system. In making this change, information such as ethnicity and location will now be tracked through SymTrac. However, for FY 2006, this data is between two systems and can not be reported.

In addition, WSSC began to look at dollars actually paid to SLMBE firms as it related to the year-to-date expenditure by the WSSC. The Commission developed a SLMBE Dashboard which reported monthly the total actual dollars paid to MBEs in each program tracked by WSSC. Included in this report is the first year-to-date payment summary chart covering Fiscal Year 2006 actual payments to certified minority/womenowned businesses.

### SUMMARY OF <u>ACTUAL</u> PAYMENT PARTICIPATION STATISTICS

### FY 06—Actual SLMBE Contract Dollars Paid.

During FY '06,WSSC tracked and validated actual contract dollars paid to all majority and MBE firms for all contracts. The chart below provides the results for FY 2006. This chart validates that 28% or \$45,680,209 were actually paid to certified minority business.

**Summary**Fiscal Year 2006 Payments to MBE Firms

Firm Type	Goal*	MBE% Results**	MBE \$**	Other \$	
Goods and Services	28%	32%	\$ 23,611,939	\$	50,835,746
Professional Services	20%	15%	\$ 1,121,118	\$	6,221,755
A/E Services	24%	29%	\$ 3,650,061	\$	9,085,044
Construction (Voluntary)	20%	26%	\$ 17,297,091	\$	49,948,876
Totals	NA	28%	\$ 45,680,209	\$	116,091,421

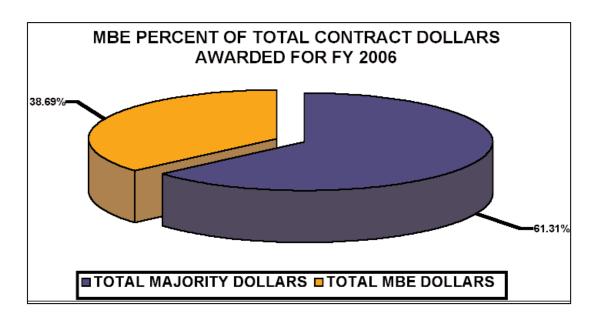
<sup>\* %</sup> Goal = MBE +WBE

<sup>\*\*</sup> MBE includes Certified MBE and WBE firms

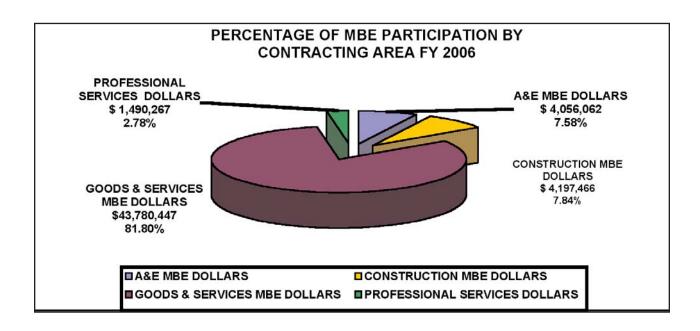
#### SUMMARY OF AWARD PARTICIPATION STATISTICS

In the four contracting areas of Architecture and Engineering, Construction, Goods and Services and Professional Services, \$138,338,973 total dollars were <u>awarded</u> in Fiscal Year 2006. Of that amount a total of \$53,524,242 was pledged to certified minority business enterprises representing 38.69%.

Below is a graphical representation of minority participation for the total contracting dollars awarded for fiscal year 2006.

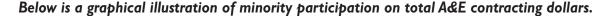


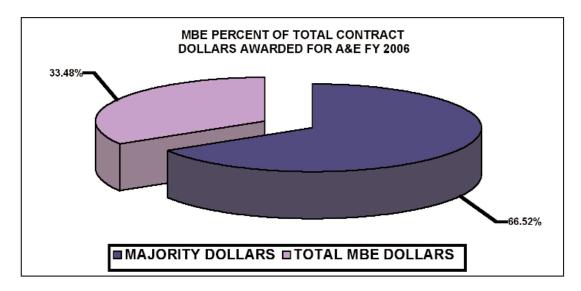
Depicted below is the distribution of MBE dollars for each contracting area for FY 2006.



### **SUMMARY OF PARTICIPATION STATISTICS (Cont.)**

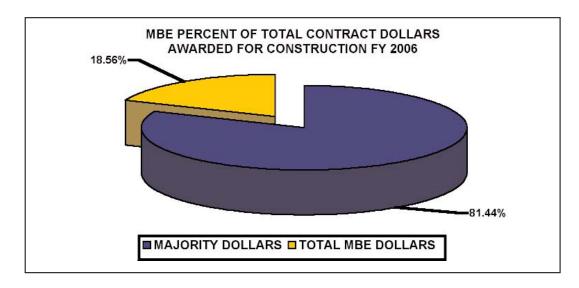
**Architecture and Engineering (A&E)** had an annual MBE goal of 24%. In FY 2006 a total of \$12,113,688 was awarded. Of that total, \$4,056,062 was pledged to certified minority owned firms, accounting for 33.48% of the A&E dollars awarded.





Construction had a voluntary MBE goal of 20 percent. In FY 2006 a total of \$22,613,563 was awarded. Of that total, \$4,197,466 or 18.56% was pledged to certified minority owned firms.

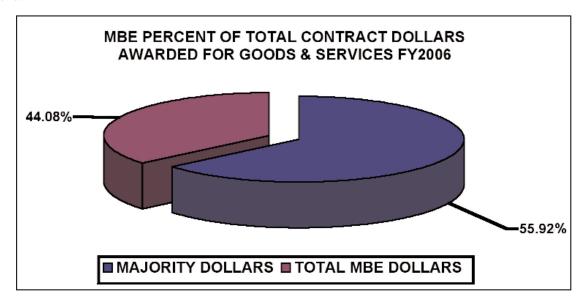
Below is a graphical illustration of minority participation on total Construction contracting dollars.



### **SUMMARY OF PARTICIPATION STATISTICS (Cont.)**

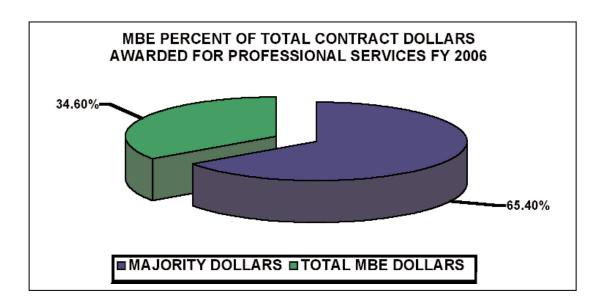
Total contract dollars in FY 2006 for **Goods and Services** were **\$99,304,839**. MBE participation on these contracts was **\$43,780,447** or **44.08**%.

Below is a graphical illustration of minority participation on total Goods and Services contracting dollars.



In FY 2006, \$4,306,883 was awarded in **Professional Services** contracts. Of that amount, \$1,490,267 or 34.6% was pledged to certified minority owned firms.

Below is a graphical illustration of minority participation on Professional Services contracting dollars.



## **LOOKING AHEAD TO FISCAL YEAR 2007...**

The SLMBE Office is poised to move forward toward greater efficiency and effectiveness for both the businesses it serves and WSSC's teams that rely on the Office for assistance. Foremost among the Office's priorities are the following goals:

- Maximize opportunities for small, local and minority/women owned business to do business with WSSC.
- Collaborate with WSSC's teams to identify "best practices"—procurement and contracting strategies that will ensure certified MBEs and local small firms are accessing the WSSC opportunities.
- Increase the effectiveness and efficiencies of WSSC's internal business processes for our customers.

The strategies WSSC will use to accomplish these goals will be focused and comprehensive, in response to our customer and stakeholder demands for efficiency and accountability in all our contracting opportunities.

